

**ASSEMBLY BILL**

**No. 694**

**Introduced by Assembly Member Levine**

February 19, 2003

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An act to amend Section 6248 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 694, as introduced, Levine. Use tax: vehicles, vessels, and aircraft.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. Under existing statutory and regulatory law there is a rebuttable presumption that a vehicle, vessel, or aircraft purchased outside of the state is subject to use tax if that vehicle, vessel, or aircraft is brought into this state within 90 days from the date of purchase.

This bill would expand the existing presumption to apply to a vehicle, vessel, or aircraft purchased outside of the state if that vehicle, vessel, or aircraft (1) is purchased by a California resident, (2) was subject to California's registration or property tax laws during the first 12 months of ownership, or (3) was used or stored in this state more than  $\frac{1}{2}$  of the time during the first 12 months of ownership.

This bill, by expanding the application of an existing presumption regarding the imposition of use tax on vehicles, vessels, and aircraft purchased outside of this state, would result in a change in state taxes for the purpose of increasing revenues within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would

require for passage the approval of  $\frac{2}{3}$  of the membership of each house of the Legislature.

This bill would take effect immediately as a tax levy, but its operative date would depend on its effective date.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 6248 of the Revenue and Taxation Code  
2 is amended to read:

3 6248. On and after the effective date of this section there shall  
4 be a rebuttable presumption that any vehicle, vessel, or aircraft  
5 bought outside of this State ~~which is brought into California within~~  
6 ~~90 days from the date of its purchase, and which is subject to~~  
7 ~~registration under Chapter 1 (commencing with Section 4000) of~~  
8 ~~Division 3 of the Vehicle Code, state was acquired for storage, use,~~  
9 ~~or other consumption in this State; state and is subject to use tax~~  
10 *if any of the following occur:*

11 (a) *The vehicle, vessel, or aircraft was purchased by a*  
12 *California resident as defined in Section 516 of the Vehicle Code.*

13 (b) *In the case of a vehicle, the vehicle was subject to*  
14 *registration under Chapter 1 (commencing with Section 4000) of*  
15 *Division 3 of the Vehicle Code during the first 12 months of*  
16 *ownership.*

17 (c) *In the case of a vessel or aircraft, the vessel or aircraft was*  
18 *subject to property tax in this state during the first 12 months of*  
19 *ownership.*

20 (d) *The vehicle, vessel, or aircraft was used or stored in this*  
21 *state more than one-half of the time during the first 12 months of*  
22 *ownership.*

23 *This presumption may be controverted by documentary*  
24 *evidence, that the vehicle, vessel, or aircraft was purchased for use*  
25 *outside of this state during the first 12 months of ownership, that*  
26 *shall include, but not be limited to, evidence of registration of that*  
27 *vehicle, vessel, or aircraft with the proper authority outside of this*  
28 *state.*

29 SEC. 2. This act provides for a tax levy within the meaning of  
30 Article IV of the Constitution and shall go into immediate effect.  
31 However, the provisions of this act shall become operative on the

- 1 first day of the first calendar quarter commencing more than 90
- 2 days after the effective date of this act.

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